

United States Senate Congressional Record, April 27, 2006

AMENDMENTS NOS. 3693, 3694, 3695, AND 3697, EN BLOC

Mr. COBURN. Mr. President, I call up four amendments to place them in the queue. They are the Barak Obama-Coburn transparency amendments, four in order. I ask they be called up.

The PRESIDING OFFICER. Without objection, the amendments will be called up en bloc, and the clerk will report.

The legislative clerk read as follows:

[Page: S3676] [GPO's PDF](#)

The Senator from Oklahoma [Mr. *Coburn*], for Mr. *Obama*, for himself, proposes amendments numbered 3693, 3694, 3695, and 3697, en bloc.

Mr. COBURN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 3693

(Purpose: To reduce wasteful spending by limiting to the reasonable industry standard the spending for administrative overhead allowable under Federal contracts and subcontracts)

On page 253, between lines 19 and 20, insert the following:

LIMITS ON ADMINISTRATIVE COSTS UNDER FEDERAL CONTRACTS

SEC. 7032. None of the funds appropriated by this Act may be used by an executive agency to enter into any Federal contract (including any subcontract or follow-on contract) for which the administrative overhead and contract management expenses exceed the reasonable industry standard as published by the Director of the Office of Management and Budget unless, not later than 3 days before entering into the contract, the head of the executive agency provides to the chair and ranking member of the relevant oversight committees of the Senate and the House of Representatives a copy of the contract, any other documentation requested by Congress, and a justification for excessive overhead expense.

AMENDMENT NO. 3694

(Purpose: To improve accountability for competitive contracting in hurricane recovery by requiring the Director of the Office of Management and Budget to approve contracts awarded without competitive procedures)

On page 253, between lines 19 and 20, insert the following:

ACCOUNTABILITY IN HURRICANE RECOVERY CONTRACTING

SEC. 7032. None of the funds appropriated by this Act that are made available for relief and recovery efforts related to Hurricane Katrina and the other hurricanes of the 2005 season may be used by an executive agency to enter into any Federal contract (including any follow-on contract) exceeding \$1,000,000 through the use of procedures other than competitive procedures as required by the Federal Acquisition Regulation and, as applicable, section 303(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(a)) or section 2304(a) of title 10, United States Code, unless the Director of the Office of Management and Budget specifically approves the use of such procedures for such contract, and not later than 7 days after entering into the contract, the executive agency provides to the chair and ranking member of the relevant oversight committees of the Senate and the House of Representatives a copy of the contract, the justification for the procedures used, the date when the contract will end, and the steps being taken to ensure that any future contracts for the product or service or with the same vendor will follow the appropriate competitive procedures.

AMENDMENT NO. 3695

(Purpose: To improve financial transparency in hurricane recovery by requiring the Director of the Office of Management and Budget to make information about Federal contracts publicly available)

On page 253, between lines 19 and 20, insert the following:

FINANCIAL TRANSPARENCY IN HURRICANE RECOVERY CONTRACTING

SEC. 7032. None of the funds appropriated by this Act that are made available for relief and recovery efforts related to Hurricane Katrina and other hurricanes of the 2005 season may be used by an executive agency to enter into any Federal contract (including any follow-on contract) exceeding \$250,000 unless the Director of the Office of Management and Budget publishes on an accessible Federal Internet website an electronically searchable monthly report that includes an electronic mail address and phone number that can be used to report waste, fraud, or abuse, the number and outcome of fraud investigations related to such recovery efforts conducted by executive agencies, and for each entity that has received more than \$250,000 in amounts appropriated or otherwise made available by this Act, the name of the entity and a unique identifier, the total amount of Federal funds that the entity has received since August 25, 2005, the geographic location and official tax domicile of the entity and the primary location of performance of contracts paid for with such amounts, and an itemized breakdown of each

contract exceeding \$100,000 that specifies the funding agency, program source, contract type, number of bids received, and a description of the purpose of the contract.

AMENDMENT NO. 3697

(Purpose: To improve transparency and accountability by establishing a Chief Financial Officer to oversee hurricane relief and recovery efforts)

On page 253, between lines 19 and 20, insert the following:

TITLE VII--EMERGENCY RECOVERY SPENDING OVERSIGHT

SEC. 8001. SHORT TITLE.

This title may be cited as the ``Oversight of Vital Emergency Recovery Spending Enhancement and Enforcement Act of 2006".

SEC. 8002. DEFINITIONS.

(a) *Chief Financial Officer.*--The term ``Chief Financial Officer" means the Hurricane Katrina Recovery Chief Financial Officer.

(b) *Office.*--The term ``Office" means the Office of the Hurricane Katrina Recovery Chief Financial Officer.

SEC. 8003. ESTABLISHMENT AND FUNCTIONS.

(a) *Establishment.*--There is established within the Executive Office of the President, the Office of the Hurricane Katrina Recovery Chief Financial Officer.

(b) *Chief Financial Officer.*--

(1) **APPOINTMENT.**--The Hurricane Katrina Recovery Chief Financial Officer shall be the head of the Office. The Chief Financial Officer shall be appointed by the President, by and with the advice and consent of the Senate.

(2) **QUALIFICATIONS.**--The Chief Financial Officer shall--

(A) have the qualifications required under section 901(a)(3) of title 31, United States Code; and

(B) have knowledge of Federal contracting and policymaking functions.

(c) *Authorities and Functions.*--

(1) **IN GENERAL.**--The Chief Financial Officer shall--

(A) be responsible for the efficient and effective use of Federal funds in all activities relating to the recovery from Hurricane Katrina;

(B) strive to ensure that--

(i) priority in the distribution of Federal relief funds is given to individuals and organizations most in need of financial assistance; and

(ii) priority in the distribution of Federal reconstruction funds is given to business entities that are based in Louisiana, Mississippi, Alabama, or Florida or business entities that hire workers who resided in those States on August 24, 2005;

(C) perform risk assessments of all programs and operations related to recovery from Hurricane Katrina and implement internal controls and program oversight based on risk of waste, fraud, or abuse;

(D) oversee all financial management activities relating to the programs and operations of the Hurricane Katrina recovery effort;

(E) develop and maintain an integrated accounting and financial management system, including financial reporting and internal controls, which--

(i) complies with applicable accounting principles, standards, and requirements, and internal control standards;

(ii) complies with such policies and requirements as may be prescribed by the Director of the Office of Management and Budget;

(iii) complies with any other requirements applicable to such systems; and

(iv) provides for--

(I) complete, reliable, consistent, and timely information which is prepared on a uniform basis and which is responsive to the financial information needs of the Office;

(II) the development and reporting of cost information;

(III) the integration of accounting and budgeting information; and

(IV) the systematic measurement of performance;

(F) monitor the financial execution of the budget of Federal agencies relating to recovery from Hurricane Katrina in relation to actual expenditures;

(G) have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material which are the property of Federal agencies or which are available to the agencies, and which relate to programs and operations with respect to which the Chief Financial Officer has responsibilities;

(H) request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental entity, including any Chief Financial Officer under section 902 of title 31, United States Code, and, upon receiving such request, insofar as is practicable and not in contravention of any existing law, any such Federal Governmental entity or Chief Financial Officer under section 902 shall cooperate and furnish such requested information or assistance;

(I) to the extent and in such amounts as may be provided in advance by appropriations Acts, be authorized to--

(i) enter into contracts and other arrangements with public agencies and with private persons for the preparation of financial statements, studies, analyses, and other services; and

(ii) make such payments as may be necessary to carry out the provisions of this section;

(J) for purposes of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note), perform, in consultation with the Office of Management and Budget, the functions of the head of an agency for any activity relating to the recovery from Hurricane Katrina that is not currently the responsibility of the head of an agency under that Act; and

(K) transmit a report, on a quarterly basis, regarding any program or activity identified by the Chief Financial Officer as susceptible to significant improper payments under section 2(a) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) to the appropriate inspector general.

[Page: S3677] [GPO'S PDF](#)

(2) **ACCESS.**--Except as provided in paragraph (1)(H), this subsection does not provide to the Chief Financial Officer any access greater than permitted under any other law to records, reports, audits, reviews, documents, papers, recommendations, or other material of any Office of Inspector General established under the Inspector General Act of 1978 (5 U.S.C. App.).

(3) **COORDINATION OF AGENCIES.**--In the performance of the authorities and functions under paragraph (1) by the Chief Financial Officer the President (or the President's designee) shall act as the head of the Office and the Chief Financial Officer shall have management and oversight of all agencies performing activities relating to the recovery from Hurricane Katrina.

(4) REGULAR REPORTS.--

(A) IN GENERAL.--Every month the Chief Financial Officer shall submit a financial report on the activities for which the Chief Financial Officer has management and oversight responsibilities to--

- (i) the Committee on Homeland Security and Governmental Affairs of the Senate;
- (ii) the Committee on Homeland Security of the House of Representatives;
- (iii) the Committees on Appropriations of the Senate and House of Representatives;
and
- (iv) the Committee on Government Reform of the House of Representatives.

(B) CONTENTS.--Each report under this paragraph shall include--

- (i) the extent to which Federal relief funds have been given to individuals and organizations most in need of financial assistance;
- (ii) the extent to which Federal reconstruction funds have been made available to business entities that are based in Louisiana, Mississippi, Alabama, or Florida or business entities that hire workers who resided in those States on August 24, 2005;
- (iii) the extent to which Federal agencies have made use of sole source, no-bid or cost-plus contracts; and
- (iv) an assessment of the financial execution of the budget of Federal agencies relating to recovery from Hurricane Katrina in relation to actual expenditures.

(C) FIRST REPORT.--The first report under this paragraph shall be submitted for the first full month for which a Chief Financial Officer has been appointed.

(d) *Responsibilities of Chief Financial Officers.*--Nothing in this Act shall be construed to relieve the responsibilities of any Chief Financial Officer under section 902 of title 31, United States Code.

(e) *Availability of Records.*--Upon request to the Chief Financial Officer, the Office shall make the records of the Office available to the Inspector General of any Federal agency performing recovery activities relating to Hurricane Katrina, or to any Special Inspector General designated to investigate such activities, for the purpose of performing the duties of that Inspector General under the Inspector General Act of 1978 (5 U.S.C. App.).

SEC. 8004. REPORTS OF THE GOVERNMENT ACCOUNTABILITY OFFICE.

The Government Accountability Office shall provide quarterly reports to the committees described under section 8003(c)(4)(A) relating to all activities and expenditures overseen by the Office, including--

- (1) the accuracy of reports submitted by the Chief Financial Officer to Congress;
- (2) the extent to which agencies performing activities relating to the recovery from Hurricane Katrina have made use of sole source, no-bid or cost-plus contracts;
- (3) whether Federal funds expended by State and local government agencies were spent for their intended use;
- (4) the extent to which Federal relief funds have been distributed to individuals and organizations most affected by Hurricane Katrina and Federal reconstruction funds have been made available to business entities that are based in Louisiana, Mississippi, Alabama, or Florida or business entities that hire workers who resided in those States on August 24, 2005; and
- (5) the extent to which internal controls to prevent waste, fraud, or abuse exist in the use of Federal funds relating to the recovery from Hurricane Katrina.

SEC. 8005. ADMINISTRATIVE AND SUPPORT SERVICES.

(a) *In General.*--The President shall provide administrative and support services (including office space) for the Office and the Chief Financial Officer.

(b) *Personnel.*--The President shall provide for personnel for the Office through the detail of Federal employees. Any Federal employee may be detailed to the Office without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

SEC. 8006. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as necessary to carry out this title.

SEC. 8007. TERMINATION OF OFFICE.

(a) *In General.*--The Office and position of Chief Financial Officer shall terminate 1 year after the date of the enactment of this Act.

(b) *Extension.*--The President may extend the date of termination annually under subsection (a) to any date occurring before 5 years after the date of the enactment of this Act.

(c) *Notification.*--The President shall notify the committees described under section 8003(c)(4)(A) 60 days before any extension of the date of termination under this section.

Mr. COBURN. I yield the floor.